

STATEMENT FOR THE RECORD

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**TO THE SUBCOMMITTEE ON FEDERALISM AND THE CENSUS,
HOUSE COMMITTEE ON GOVERNMENT REFORM,
THE HONORABLE MICHAEL R. TURNER, CHAIRMAN**

**“HISTORIC PRESERVATION AND COMMUNITY DEVELOPMENT: WHY CITIES
AND TOWNS SHOULD LOOK TO THE PAST AS A KEY TO THEIR FUTURE”**

SEPTEMBER 20, 2006

SUMMARY STATEMENT

Within the past 50 years historic preservation has developed into a major movement for rethinking the look and feel of communities throughout America. Its presence, with an emphasis on learning from our past and placing a premium on human scale and visual diversity, has been widely embraced. Its design ethic of reuse and rehabilitation has shaped countless downtowns, neighborhoods, and rural communities. Notably, this success has now spawned renewed investment and economic growth as these renovated assets have become raw material for a growing new industry—heritage tourism.

Our country should be justly proud of its historic preservation accomplishments. While private investment has fueled this success, enlightened policies at the national, state and local levels have fostered this trend and helped make its success possible. The National Historic Preservation Act (NHPA), passed by Congress in 1966, has provided a firm foundation for historic preservation today. And most recently *Preserve America*, a program begun by the current Administration, has helped give new purpose to the critical role the federal government can play in utilizing our extraordinary inventory of heritage assets to foster the economic benefits of preservation at the local level. The *Preserve America* Executive Order directs improved federal accountability for the care and productive use of federal heritage assets, including encouragement for improved partnerships with local communities and private entities to support their related efforts. This is bolstered by an active *Preserve America* initiative to identify and promote both public and private achievement through community recognition, a Presidential Awards program, and targeted grants in support of heritage tourism.

Under the leadership of Governor-appointed State Historic Preservation Officers and their professional staffs, the states have advanced innovative programs and tax incentives. These efforts are resulting in numerous success stories that help underscore the value of preservation to each state's economy and future. Indian tribes and Native Hawaiian Organizations have become co-partners in the national program, bringing an affinity for the past and how the American landscape can be viewed as an expression of cultural change and sustainability. Local governments, with use of design ordinances and other local planning mechanisms, have given voice to their citizens who have supported preservation as a way of improving livability and economic opportunity.

An important feature of the national historic preservation program as conceived in 1966 is the protection afforded historic properties under Section 106 of the NHPA. In that portion of the law Congress directed all federal agencies to take into account how their actions affect historic properties (properties included in or eligible for inclusion in the National Register of Historic Places) and to afford the ACHP a reasonable opportunity to comment with regard to such undertakings. This process has evolved into an effective tool for encouraging public dialogue and dispute resolution over these issues.

For nearly 40 years the Section 106 review process has been the primary way in which citizens express their concern for how a federal action may jeopardize historic properties of importance to them. Through its regulations, “Protection of Historic Properties” (36 CFR Part 800), the ACHP administers and oversees the Section 106 process. This includes such issues as how best to approach affordable housing goals in older neighborhoods, adapting to the sweeping changes under the latest round of military base closures and realignments, or federal assistance for critical infrastructure improvements. Section 106, through encouraging good faith consultation among involved stakeholders, can help the project sponsors and local citizens seek solutions that balance preservation values and project needs, resulting in economic development.

Three general and interrelated examples from our own experience may assist the Committee in its work, and these are discussed in more detail below. They include (1) administration of the Section 106 review process, and our related work with federal agencies to improve their historic preservation programs; (2) the *Preserve America* initiative and what we are learning about how we can encourage community efforts and strengthen public-private partnerships to advance these goals; and (3) initial success in improving federal efforts through the related *Preserve America* Executive Order.

While much has been accomplished much remains to be done, and the 40th anniversary of the national historic preservation program provides us an ideal opportunity to take stock at the national level. First Lady Laura Bush announced in May of this year that she, in cooperation with the ACHP, will lead a national *Preserve America* Summit to mark the 40th anniversary of the passage of the NHPA. Summit participants will review the major components of the national historic preservation program and propose a series of ideas for advancing historic preservation programs and policy. In addition, Summit participants will have opportunities to suggest unique and innovative approaches for assisting communities throughout the United States in developing the tools and processes necessary for advancing historic preservation on a local scale. The Summit should provide a dynamic framework for how the national historic preservation program needs to evolve and modernize to meet the needs of future Americans.

OVERVIEW OF THE ROLE OF THE ACHP

Title II of the NHPA established the ACHP, which is an independent federal agency. NHPA charges the ACHP with advising the President *and* the Congress on historic preservation matters and entrusts the ACHP with the unique mission of advancing historic preservation within the federal government and the national historic preservation program. The ACHP’s authority and responsibilities are principally derived from NHPA. General duties of the ACHP are detailed in Section 202 (16 U.S.C. 470j) and include:

- Advising the President and Congress on matters relating to historic preservation;
- Encouraging public interest and participation in historic preservation;
- Recommending policy and tax studies as they affect historic preservation;
- Advising state and local governments on historic preservation legislation;

- Encouraging training and education in historic preservation;
- Reviewing federal policies and programs and recommending improvements; and
- Informing and educating others about the ACHP's activities.

Under Section 106 of NHPA (16 U.S.C. 470f), the ACHP reviews federal actions affecting historic properties to ensure that historic preservation needs are considered and balanced with federal project requirements. It achieves this balance through the "Section 106 review process," which applies whenever a federal action has the potential to impact historic properties. As administered by the ACHP, the process guarantees that state and local governments, Indian tribes, businesses, and private citizens will have an effective opportunity to participate in federal project planning affecting historic properties. Through its administration of Section 106, the ACHP works with federal agencies, states, tribes, local governments, applicants for federal assistance, and other affected parties to ensure that their interests are considered in the process. It helps parties reach agreement on measures to avoid or resolve conflicts that may arise between development needs and preservation objectives, including mitigation of harmful impacts. Section 106 is also a primary means for individuals, local organizations, the private sector, and local, community, tribal, state, and regional entities to ensure that their historic preservation concerns regarding federal undertakings are given proper consideration.

Through its appointed members and staff the ACHP is also actively working to administer the *Preserve America* initiative in partnership with other agencies, and on behalf of the White House. It oversees implementation of Executive Order 13287, "Preserve America," and is taking the lead to develop and execute the *Preserve America* Summit.

CAPITALIZING ON HISTORIC PRESERVATION'S BENEFITS

The NHPA established a national policy to promote the preservation and use of historic properties to meet the needs of contemporary society, such as stable communities, affordable housing, and economic development. Congress also directed the federal government, acting in partnership with state, tribal, and local governments and the private sector, to take a leadership role in carrying out this national policy.

Today, the long-term health of historic preservation in the United States depends in large part on the adoption of government policies favorable to the effective use of our historic resources. We advocate federal policies that stimulate the private sector reuse of historic buildings, and encourage specific federal agencies to reinforce local preservation initiatives. The ACHP also actively promotes the federal government's leadership role in historic preservation by practice and example.

We believe it is important to note that sustainable historic preservation is not a cost for protecting the past. Rather, it is a wise investment in a better future. Preservation strategies such as heritage tourism bring very significant economic, educational, and cultural benefits to the nation. For example, sustainable historic preservation is the basis for the Administration's *Preserve America* initiative, which continues and expands the Congressional mandates established in the NHPA.

At the community level, historic preservation has an extraordinarily positive economic impact. For example:

- Historic building rehabilitation, which is labor intensive and requires specialization and high skill levels, creates more jobs and local business than new construction.

- Historic rehabilitation encourages neighborhood investment and produces a high return for municipal dollar invested.
- Creation of local historic districts stabilizes, and usually increases, residential and commercial property values.

Property values typically increase in historic districts at a rate faster than in other comparable areas of a community. However, the most significant economic activity that leverages heritage preservation is the rapidly expanding area of heritage tourism. Heritage tourists account for \$200 billion in national spending every year; and because they seek authentic heritage experiences, they are far more likely to be interested in community and grass roots resources than other types of tourists.

According to the Travel Industry Association of America, which promotes all types of travel and tourism, heritage tourists are a particularly desirable segment of the traveling public. For example:

- Tourists drawn by the historic character of a community or region on average stay longer and spend more during their visit than other tourists. Heritage tourists spend an average of \$623 per trip compared to an overall tourist average of \$457 per trip.
- Heritage tourism is the most rapidly growing tourism category. Historic/cultural travel volume was up 13 percent from 1996 to 2002, which is an increase from 194 million person-trips to 216 million person-trips.
- Heritage tourists are much more likely to extend their visit than other types of travelers when they become interested in local historic places. On average, 4 in 10 heritage tourism trips are extended in this manner.

Economic studies by various states all come to the same general conclusion: For each \$1 invested in heritage tourism efforts, \$19 is returned.

Overall, the conclusion is that preservation is good for communities and good for the economy.

COMMUNITY REVITALIZATION AND SECTION 106

To complement and support these benefits, the use of the Section 106 review process can serve as an effective tool to ensure that the past helps guide future development of our towns and cities. We would like to share with the Subcommittee three areas where Section 106 is helping communities to work through difficult issues to make this happen.

Community Development Block Grants and Affordable Housing

Communities throughout the country rely upon a wide array of federal assistance programs, particularly from HUD and USDA, to revitalize downtowns as well as surrounding neighborhoods and develop affordable housing. Historic buildings provide affordable housing to many American families. Affordable housing rehabilitation can contribute to the ongoing vitality of historic neighborhoods as well as the businesses and institutions that serve them. It is an important historic preservation strategy in communities across the country. The ACHP will shortly complete a review and update of its "Policy Statement on Affordable Housing and Historic Preservation" to serve as a guide for federal agencies and State Historic Preservation Officers (SHPOs) when making decisions about affordable housing projects during review of federal undertakings under Section 106 of the National Historic Preservation Act. This policy, and our steps to promote its use by housing providers, cities and State Historic Preservation Officers, should serve to make revitalization of historic housing to meet affordable housing needs

an even more appealing option for local communities. The Policy Statement will help level the playing field for housing providers and historic preservation supporters so revitalization of existing historic neighborhoods can be more easily achieved.

Base Realignment and Closure

In 2005, the fifth round of Base Realignment and Closure (BRAC) of military installations for the Department of Defense (DoD) began. Many of the installations affected by BRAC contain historic buildings, landscapes, structures and archeological sites, representing some of the most significant historic properties of our nation's military history. Many communities are concerned with the loss of jobs associated with closing installations and may not realize the potential of historic preservation to be a catalyst for development. The consultation process of Section 106 review brings together local authorities with historic preservation professionals and DoD to identify, plan and productively use the historic assets in ways that benefit the future of the affected communities. Our experiences at such closed installations as Fort Sheridan and Fort Douglas, both National Historic Landmarks, show that the dedication of local communities and other parties as they plan and work through the Section 106 process can help communities transform former military installations into vibrant elements of their infrastructure and community heritage.

Responding to the Destruction Caused by Hurricanes Katrina and Rita

Never before has our country experienced natural disasters that had such a profound impact on heritage resources. Beyond the loss of life and human tragedy on a massive scale in the Gulf Coast region, these hurricanes, and the flooding that followed, destroyed thousands of historic structures and placed in danger thousands more as recovery and reconstruction efforts came to terms with the scope of destruction. What remains of the rich and storied heritage of the Gulf Coast region as reflected in its historic communities and lifeways is still at risk.

As we have experienced with other natural disasters, often the historic resources of an injured community must play an integral role in the healing process. Their stabilization and protection from further loss as a result of recovery efforts are needed to safeguard a shared sense of identity. In New Orleans, FEMA utilized the Section 106 process to develop a process for how historic preservation would be considered in demolition of privately owned buildings. This agreement, and the dialogue that preceded its development among involved stakeholders was instrumental in reducing the loss of historic structures within the many historic districts affected by the storms and subsequent flooding. A similar agreement is now underway with and for the State of Mississippi.

THE *PRESERVE AMERICA* INITIATIVE

The ACHP, in coordination with the White House, has also developed an initiative to stimulate creative partnerships among all levels of government and the private sector to preserve and actively use historic resources and thereby foster a better appreciation of America's history and diversity.

This initiative, called *Preserve America*, provides a focal point for the Administration's support for preserving America's cultural and natural heritage assets and recognizing their economic potential. *Preserve America* includes recognition, assistance, and a promotional element focused on supporting the vibrant role of our nation's historic and cultural heritage in modern American life. Related federal programs can use historic preservation tools to help support local efforts in economic development, heritage tourism, and heritage education. Federal agencies that have been

participating with the ACHP in this program include the U.S. Departments of Defense, Interior, Agriculture, Commerce, Housing and Urban Development, Transportation, and Education; the National Endowment for the Humanities; the President's Committee on the Arts and Humanities; and the President's Council on Environmental Quality.

Preserve America is about preservation with multiple purposes, but all based on the foundation of economic development and vitality. Improvements in civic pride, economic and physical revival of communities, increased tax revenues, and other similar benefits are demonstrable effects of preservation. These benefits are most significant at the community level. Therefore, *Preserve America* depends on strategies that are initiated, designed, and driven at the local level and assisted by regional, state, and federal efforts.

Major components of the *Preserve America* program include:

***Preserve America* Presidential Awards**

Four awards are given annually to organizations, businesses, government entities, and individuals for exemplary accomplishments in the sustainable use and preservation of cultural or natural heritage assets; demonstrated commitment to the protection and interpretation of America's cultural or natural heritage assets; and integration of these assets into contemporary community life in ways that combine innovative, creative, and responsible approaches to showcasing historic local resources. Presidential Award winners offer wonderful models for emulation by others throughout the country.

***Preserve America* Communities**

This program recognizes and designates communities that protect and celebrate their heritage, use their historic assets for economic development and community revitalization, and encourage people to experience and appreciate local historic resources through education and heritage tourism programs. The ACHP administers this program, with assistance from DOI and USDA. The ACHP provides information to communities as they prepare their applications, reviews submissions, and coordinates follow-through, notifications, and promotion of designations. Since the program began, 400 communities in 48 states have been designated. The program was further broadened in 2005 to allow for applications for designation from historic neighborhoods in cities with populations larger than 200,000. Thus, we have a growing collection of over 400 success stories from which to draw that can help demonstrate the importance of historic preservation at the community level.

***Preserve America* Grants**

This part of the program provides grants to support community efforts that demonstrate sustainable uses of their historic and cultural sites and the economic and educational opportunities related to heritage tourism. The program does not fund bricks-and-mortar projects, but rather helps local communities develop sustainable resource management strategies and sound business practices for the continued preservation and use of heritage assets. State Historic Preservation Officers, Tribal Historic Preservation Officers, designated *Preserve America* Communities, and Certified Local Governments that have applied for *Preserve America* Community designation are eligible to apply for *Preserve America* grants. The grants program is administered by the National Park Service (NPS), in consultation with and assisted by the ACHP and other agency partners. The ACHP worked with NPS in the development of the program criteria and evaluation factors and is assisting with application review, evaluation, and selection. Congress made available \$5 million in funding for *Preserve America* grants in FY 2006. The President proposed \$10 million for FY 2007, and to date the Senate has supported that figure while the House has recommended \$3 million.

THE *PRESERVE AMERICA* EXECUTIVE ORDER

Signed by President Bush March 3, 2003, Executive Order 13287 complements the *Preserve America* initiative. The order establishes federal policy to provide leadership in preserving America's heritage by actively advancing the protection, enhancement, and contemporary use of the historic properties owned by the federal government.

Section 3 of the Executive Order calls for federal real property managers to assess on an ongoing basis and for the ACHP to report to the President on the status of their inventory of historic properties; their condition and management needs; and how their historic properties might be suitable for supporting community economic development. Agencies must also examine their management policies, regulations, and operating practices to improve compatibility with the requirements of the NHPA and ultimately preserve and maintain historic properties.

On February 15, 2006, the ACHP submitted to the President a report on the status of federal historic property management in accordance with the Preserve America Executive Order. This report, which was based upon background information provided by Executive Branch agencies that own and control real property provided significant information on how the federal government impacts local governments. The agencies acknowledged the importance of federally-owned historic properties within their inventory to the economic viability of tribal, state, and local communities. When agencies have been able to transfer underutilized and excess federal properties and develop partnerships with other public agencies or the private sector, properties have been reused or redeveloped in a manner that has brought significant economic benefits to communities.

The principal federal agencies that typically transfer or sell historic properties are the Department of Veterans Affairs, the General Services Administration, the Department of Defense and the Department of Agriculture. In the context of major property disposal programs developed by each of these agencies, the ACHP and State Historic Preservation Officers assisted agencies in taking inventory of their historic assets and developing covenants and preservation easements. As a result of the protections placed on these federal assets, the vast majority of redevelopment activities have used historic preservation as a tool to foster additional investments in or adjacent to the historic properties. In addition, as a result of Section 111 of the NHPA and the Enhanced Use Leasing Authority approved by Congress for certain programs and activities, agencies have been able to develop cooperative-use agreements and leases that allow the federal government to fund historic preservation activities with the proceeds generated from these public-private arrangements.

While the focus has often been on historic buildings, federal historic properties that lend themselves to redevelopment include structures, objects, historic districts, and cultural landscapes. Examples of public-private partnerships involving federal property that has been transferred or leased include the Presidio in San Francisco, California; the Naval Home in Philadelphia, Pennsylvania; Fort Sheridan in Lake County, Illinois; Dexter Cabin at the Interlaken Resort near Leadville, Colorado; the Federal Courthouse in Salt Lake City, Utah; the K-25 plant at Oak Ridge, Tennessee; portions of Cape Hatteras National Seashore in North Carolina; and segments of the Lewis and Clark National Historic Trail in Montana. It should be noted that each of these projects served as catalysts for community development activities, heritage tourism, and heritage education, thereby leveraging the federal investment in historic properties.

THE PRESERVE AMERICA SUMMIT

As previously stated, in cooperation with the ACHP and other federal and non-federal partners, First Lady Laura Bush, is leading a national *Preserve America* Summit to mark the 40th anniversary of the passage of the NHPA. The national *Preserve America* Summit will explore opportunities to build on the past achievements of the national historic preservation program and suggest ways to modernize the program for the future.

On October 18-20, 2006, Summit participants will gather in New Orleans to review the major components of the national historic preservation program and propose a series of ideas to advance historic preservation programs and policy. We expect that many of these ideas will help local communities throughout the United States take full advantage of existing preservation tools, as well as identify innovative concepts for future success.

Planning groups comprised of various federal agencies and other public and private partners have identified 11 critical issue areas. Each area has been assigned to one or more federal and non-federal co-chairs, who have recommended and organized an expert panel of 10-15 experts.

The 11 issue areas are:

Building a Preservation Ethic and Public Appreciation for History

How can public understanding of America's history and the importance of our historic and cultural patrimony be enhanced?

Coordinating the Stewardship and Use of Our Cultural Patrimony

How can communities benefit from an integrated program for preserving and using historic properties and conservation of documents, artifacts, collections, artistic works, and other cultural expressions?

Determining What's Important

What needs to be done to identify and recognize America's historic places?

Protecting Places That Matter

How can historic preservation be better integrated into public planning and the effectiveness of federal protective mechanisms for historic properties improved?

Improving the Preservation Program Infrastructure

What should be done to clarify the roles of key preservation entities and build their capacity to promote preservation?

Dealing With the Unexpected

How can the national program more effectively promote the preservation of historic properties after natural and man-made disasters, and ensure that reuse of historic properties contributes to recovery efforts?

Addressing Security

How can we more effectively balance security concerns with the preservation and interpretation of historic properties?

Using Historic Properties as Economic Assets

How can communities be encouraged to use their historic properties as economic development assets?

Involving All Cultures

How can the capacity of all cultures, notably Indian tribes and Native Hawaiians, to understand, protect and enjoy historic properties of concern to them be improved?

Fostering Innovation

How can the potential of technology be harnessed and nontraditional solutions to preservation challenges be encouraged?

Participating in the Global Preservation Community

How can America share its preservation successes with the world and learn from the efforts of other nations?

These panels have been conferring and meeting prior to the Summit to determine the best way for their panel to proceed in developing concepts for their issue. Each of the 11 issue areas has been tasked with identifying up to five ideas for consideration. As of the date of this hearing, all but one of these panels has met and is working to formulate its proposed ideas.

The ACHP is very excited about the work of the panels and about what comprehensive advice will emerge on how the national historic preservation program should evolve to meet the needs of the future. As appropriate, the ACHP looks forward to sharing the results of the Summit with this Subcommittee.

CONCLUSION

While economic development is the most immediate benefit of historic preservation, there are many other important returns on this investment. Local communities can build on civic pride and reinforce their identity as unique and valuable parts of the American landscape, while improving the livability of these places. Programs like the *Preserve America* initiative strengthen civic engagement while highlighting ways to blend our nation's past with its future. *Preserve America* and the NHPA also serve to promote the educational and cultural benefits of heritage preservation, while the need to share American values both at home and abroad remains obvious and urgent.

Nationally and internationally, America's diverse history is the story of increasing human liberty. Direct, authentic experience of the places where our history occurred is among the best ways of communicating American values, and of explaining how this young nation created and continues to lead the centuries-long struggle for greater freedom and liberty for all people. Both citizens and international visitors better understand America's past, present, and potential for the future through personal contact with the special places of heritage associated with this nation of immigrants. At a time when it is extremely important to make people aware of the nation's values, our historic sites are essential to human understanding and closing the gaps that divide us.

We appreciate the Subcommittee's interest in these issues, and thank you for your consideration and the opportunity to present our views.